



# Wholesalers

## Why Do You Need Equipment Breakdown Insurance?

### You Rely On Equipment

The success of your wholesale operation depends on many things, including well-functioning equipment like electrical distribution systems, environmental controls, refrigeration, and electronic tracking devices. Not only is this equipment subject to sudden and accidental breakdown, but frequently it runs on sensitive and expensive-to-repair electronics. If any of it goes down, you can face substantial losses and down time that can mean lost income and customers.

### Rely On Our Coverage

Equipment breakdown can significantly impact your business. Yet, most standard property policies exclude the coverage.

Equipment Breakdown insurance pays for physical damage to equipment caused by mechanical and electrical breakdown. It can also cover business income or spoilage losses due to an equipment breakdown and your extra expenses to limit the equipment loss or speed repairs.

### Protect Against Loss

The coverage protects against covered losses caused by:

- Short circuit • Electrical arcing • Power surges
- Mechanical breakdown • Motor burnout
- Boiler damage • Operator error

### Common Causes

#### Electrical Distribution System

Lost power often means lost income and customers. And a short circuit in one part of an electrical distribution system can quickly spread to other parts—affecting the entire store—because panels, circuit breakers, and cables are interconnected. The cause can be as simple as a loose connection, dust, or high humidity.

#### Heating and Cooling Systems

Complex HVAC systems are costly to repair and failures common. Boilers are susceptible to breakdown due to

pump or low-water cut-off mechanism failure. If temperatures become inhospitable, you may lose product, productivity, and customers who go elsewhere to get their orders filled.

#### Telephone Systems

A telephone system is indispensable to your business. If it goes down, so does business. Modern phone systems have sensitive and fragile circuitry that is vulnerable to damage from spikes and surges, heat, vibration, and moisture.

#### Computers

Virtually every wholesaler depends on computers to track inventories, orders, and billings. Computers rely on highly sensitive and fragile technologies that are vulnerable to damage.

#### Refrigeration

If your business depends on refrigeration, a breakdown can result in more than a major equipment loss: it also could mean the loss of costly perishable goods and income.

### Coverage, Plus More

Many states and local governments require boilers and pressure vessels to be inspected periodically by commissioned inspectors. Our program includes these inspection services so you avoid local fees in many jurisdictions and only pay the certificate fee.

### The Risks Are Real

*Power surge is transmitted through a LAN, damaging 200 computers.*

**Total Loss: \$124,672**

*A power surge damages air conditioning compressor and other appliances.*

**Total Loss: \$ 60,467**

*Air conditioning system piping leaks into telephone switching equipment. Shorts out equipment.*

**Total Loss: \$132,749**

This summary gives a general description. For all coverages, conditions and exclusions, refer to the policy.